

DRAFT MINUTES

LAFCO REGULAR MEETING
Friday, February 7, 2003, 9:00 a.m.
Planning Commission Hearing Room, Hall of Administration
10 Civic Center Plaza, Santa Ana

(Any member of the public may request to speak on any agenda item at the time that item is being considered by the Commission.)

1. CALL TO ORDER

Chair Arlene Schafer called the regular meeting of the Local Agency Formation Commission (LAFCO) to order at 9:04 a.m.

2. PLEDGE OF ALLEGIANCE

Commissioner Randal Bressette led the pledge of allegiance.

3. ROLL CALL

The following commissioners and alternates were present:

- **Commissioner Randal Bressette**
- **Commissioner Peter Herzog**
- **Commissioner Arlene Schafer**
- **Commissioner Charles Smith**
- **Commissioner John Withers**
- **Alternate Commissioner Robert Bouer**
- **Alternate Commissioner Charley Wilson**

The following LAFCO staff members were present:

- General Counsel Clark Alsop
- Executive Officer Dana M. Smith
- Assistant Executive Officer Bob Aldrich
- Project Manager Ken Lee
- Policy Analyst Kim Koeppen
- Policy Analyst Carolyn Thomas
- Policy Analyst Jay Wong
- Executive Assistant/Commission Clerk Danielle Ball
- Administrative Assistant Daphne Charles

4. APPROVAL OF MINUTES:

a.) January 8, 2003 – Regular Commission Meeting

MOTION: Approve the January 8, 2003 minutes as presented without revisions (Arlene Schafer)

FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles Smith, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

5. PUBLIC COMMENT

Chair Schafer requested public comments on any non-agenda item and received no response. She closed the public comment agenda item without any statements from the public.

6. CONSENT CALENDAR

a.) Planning Area 8A Annexation to the City of Irvine (CA 01-23)

Chair Schafer pulled item 6a from the consent calendar and requested a staff presentation.

Commissioner Charley Wilson recused himself from the discussion on item 6a, citing his employment through Southern California Edison, and left the Commission meeting.

Policy Analyst Kim Koeppen provided a verbal overview of the application for Planning Area 8A Annexation to the City of Irvine (CA 01-23). She stated that the RHNA transfer issue remains unresolved between the County and the City of Irvine and directed the Commission to reference a letter written by the City of Irvine requesting a revision to one of the proposed terms and conditions for the resolution approving the application. She highlighted the revision to condition 2h, "Prior to recordation the City and County shall submit to LAFCO an agreement resolving the RHNA allocation issue," stating that the revised condition would foster discussions between the city and County to resolve the issue. She added that the County is in concurrence with the revision as discussed and encouraged the Commission's approval.

Commissioner Withers motioned approval of consent calendar item 6a, incorporating revisions to the terms and conditions as discussed.

Commissioner Smith expressed his reservations about approving the application without resolving the RHNA allocation in advance. Policy Analyst Koeppen clarified

that the certificate of completion would not be recorded until the RHNA allocation issue was resolved to the mutual satisfaction of both the City of Irvine and the County. Executive Officer Smith added that the condition doesn't preclude the County from holding to a particular negotiating position.

MOTION: Approve consent calendar items 6a, incorporating revisions to the terms and conditions as discussed (John Withers)

SECOND: Charles Smith

FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles Smith, John Withers

AGAINST: None

ABSTAIN: None

MOTION PASSED

7. PUBLIC HEARING

None

8. COMMISSION DISCUSSION

- a.) Authorization to Execute Contracts for Municipal Service Reviews
- b.) Moreland & Associates Contract

- 8a.** Project Manager Ken Lee stated that, concurrent with the roll-out of LAFCO's Municipal Service Review (MSR) Program, staff was seeking the Commission's authorization for the Executive Officer to execute contracts with the selected consultants for Phase One of the MSR Program, namely Moore Iacofano Goltsman, Inc. ("MIG") and The Keith Companies, Inc. ("TKC").

Commissioner C. Wilson returned to the meeting during Project Manager Lee's presentation of item 8a.

Chair Schafer expressed to staff that she was impressed with the roll-out of the MSR Program at the January 2003 strategic planning session.

Commissioner Withers motioned to authorize the Executive Officer to execute contracts for Phase One of the MSR Program. **Commissioner Smith** seconded the motion.

Commissioner Herzog brought the Commission's attention to the presented scope of work and voiced his disagreement with the recommended approach of dividing the County into five or six regional areas. He also called attention to page 5 of the contract, which refers to a scope of services, and asked for clarification about what this would include.

Project Manager Lee answered that the attached draft contracts were presented only as sample boilerplate contracts. He said the actual scope of work would be revised by

the MSR committee to address the Commission's concerns and then attached to the final contract as Exhibit A.

Chair Schafer asked **Commissioner Herzog** what approach he would propose for the MSR Program.

Commissioner Herzog said that the State statute set unrealistic expectations in mandating that LAFCO's complete all the MSRs within five years. He added that Orange County has specific areas of concern, including Rossmoor for example, which require individual examination. He stated that it would be difficult to divide the rest of the County territory into four or five additional areas when excluding those specific areas of concern. He recommended that the form of the MSR Program reflect the reality of Orange County.

Commissioner Bressette suggested that the rationale for dividing and studying the County in regions could be better defined in the scope of work, thereby giving the Commission a thorough understanding of the recommended approach. He further mentioned that he attended the Orange County Treasurer's conference, indicating that there's a significant amount of data available on County infrastructure, and cautioned against conducting duplicative research.

Commissioner Bressette asked if it would be appropriate to add a clause regarding litigation indicating that the prevailing party would recover reasonable costs. Legal Counsel Alsop answered affirmatively, stating that the addition would be reflected in the final contracts and presented to the Commission for approval at the March 2003 meeting.

Commissioner Withers encouraged the Commission to move the contracts forward, adding that the MSR committee will work collaboratively with the Commission to define the scope of the program.

Commissioner Bressette expressed concern that if the Commission granted the Executive Officer permission to execute the contracts for Phase One of the MSR Program that the Commission wouldn't have the opportunity to review the final contracts prior to ratification. Legal Counsel Alsop stated that the Commission has directed that the contracts come back before the Commission prior to ratification.

Commissioner Herzog suggested an addition to recommended action #3, ". . . and that the contract is not effective until ratified by the Commission," as a friendly amendment to the original motion. **Commissioners Withers** and **Smith** agreed to the friendly amendment.

MOTION: **Authorize Executive Officer to execute contracts for Phase One of the MSR Program with conditions as discussed (John Withers)**
SECOND: **Charles Smith**

FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles Smith, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

- 8b.** Executive Officer Smith presented the proposed contract with Moreland & Associates for the provision of annual auditing services.

MOTION: Ratify contract with Moreland & Associates for the provision of annual auditing services (John Withers)
SECOND: Randal Bressette
FOR: Randal Bressette, Peter Herzog, Arlene Schafer, Charles Smith, John Withers
AGAINST: None
ABSTAIN: None
MOTION PASSED

9. COMMISSIONER COMMENTS

Chair Schafer requested additional comments from the commissioners. Receiving no response, she closed commissioner comments.

10. INFORMATIONAL ITEMS
None

11. CLOSED SESSION
None

13. ADJOURNMENT

Chair Schafer adjourned the meeting at 9:32 a.m.

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DANA M. SMITH
Executive Officer, Orange County Local Agency Formation Commission

By: _____
Danielle M. Ball
Commission Clerk